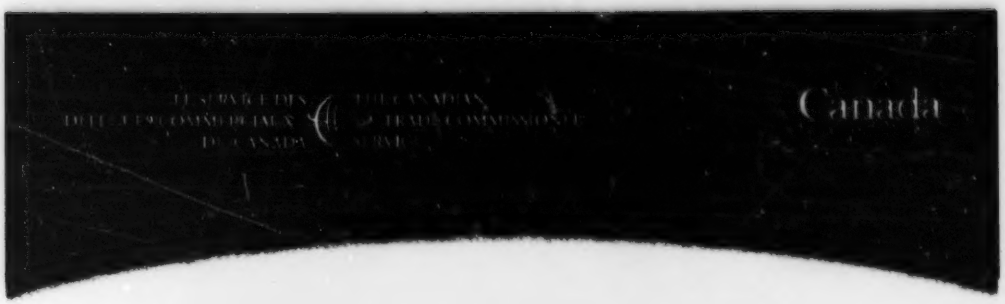

Agri-Food Sector Profile:

AUSTRALIA

Market Opportunities

Australia is a major producer and exporter of agricultural products, representing approximately 60% of Australia's total exports. Australian food imports are generally sourced to increase the variety of available products, increase seasonal supplies, or due to price competitiveness.

In 2001, Canada exported $79.8 million of food products to Australia, representing an increase of 22% over the previous year. The most significant food export to Australia is of frozen pork, which was valued at $61.3 million or 68% of agricultural exports. Although Australia has its own pork industry, an increasing amount is exported to East-Asian markets, particularly Singapore and Japan, therefore opening opportunities for Canadians to supply the domestic market. Exporters of pork should also be aware that the sourcing of pork is often seasonal, with demand at its highest between September and December.

Other significant exports are of maple syrup, coffee extract and whiskey. In addition to these figures, Canada also exported $11.2 million of canned salmon in 2001. The removal of Australia's 25 year ban on the importation of chilled and frozen salmon means that Australia is now a more open market for Canadian salmon suppliers.

Agriculture is a significant industry for Australia, in much the same way as in Canada. There is a strong commitment amongst consumers to buy '*Australian Made*' foodstuffs, fuelled by a strong push from farmers and government. As such, Canadian suppliers of branded products should carefully consider their marketing strategy before approaching potential importers and distributors. Suppliers of non-branded products may take advantage of opportunities to supply commodities as ingredients for private label, and/or consider amending labelling as required by the Australian buyer.

Australian consumers favour convenience foods that are both healthy and easy to prepare. There is a small market for organic foods, which is continuing to grow. Canadian exporters should be aware of consumer reluctance to pay a premium price for organic product. Traditionally, food products have been inexpensive, although consumer concern over food integrity and GMO has lead to small, but continued, growth in the organic market.

Australian manufacturers are focussing on innovative packaging which provide greater flexibility for the consumer, such as 'eat on the run' designs. The average Australian consumer is becoming increasingly busier, favouring 'meal solutions' that do not compromise on taste or freshness. Canadian suppliers of healthy and convenience foods, with innovative packaging designs have significant opportunities to enter the Australian market.

Market Access Considerations

Exporters will face a 5% tariff on most products entering into Australia. Canadian exporters must be aware of Australia's stringent quarantine requirements as a number of products are prohibited due to concerns that there may be a potential public danger or that they may introduce outside disease. The first step for Canadian exporters should be to clarify whether their product is permitted, and if so, under what conditions. Exporters of highly processed product will not face the same restrictions, but should also ascertain whether an import permit if required. Information on import requirements can be accessed at http://www.aqis.gov.au/icon.

In addition, exporters should be familiar with the Australia & New Zealand Food Standards Code, to ensure compliance with the Australian food standards and labelling regulations. Australia now requires that GM foods be labelled where novel DNA or novel protein is present in the final product. The full code can be found online at http://www.anzfa.gov.au/.

Useful Links

Agriculture & Agri-Food Canada: http://www.agr.gc.ca/

Agri-Food Trade Service: http://ats.agr.ca/general/home-e.htm

Infoexport: http://www.infoexport.gc.ca

Australian Quarantine & Inspection Service: http://www.aqis.gov.au

Australian Bureau of Statistics: http://www.abs.gov.au

Australian Food News: http://www.ausfoodnews.com.au/

Food Info Australia: http://www.affa.gov.au

Agriculture, Fisheries, Forestry - Australia: http://www.affa.gov.au/

102-07420/

For further information, please contact:

(Processed Food and Beverages)
Ms. Sarah Powles
Trade Research Officer
The Canadian High Commission in Australia
Commonwealth Avenue
Canberra, Australia
T: (011-61-2) 6270-4033
F: (011-61-2) 6270-4069
Email: mailto:sarah.powles@dfait-maeci.gc.ca

(Agricultural Commodities)
Mr. Pierre Desmarais
Second Secreatry (Commercial/Economic)
The Canadian High Commission in Australia
Commonwealth Avenue
Canberra, Australia
T: (011-61-2) 6270-4029
F: (011-61-2) 6270-4069
Email: mailto:pierre.desmarais@dfait-maeci.gc.ca

May 2002